M/017/001

DIV. OF OIL. GAS & MINING

Michael O. Leavitt Governor David T. Terry Director 675 East 500 South, Suite 500 Salt Lake City, Utah 84102-2818 801-538-5100 801-355-0922 (Fax)

August 4, 1998

Exxon Production Research Company P.O. Box 2189 Houston, Texas 77252-2189

Attn: Rob Wellner

Clive R. Jones

Re: Approval to Commence, Research Coring Project - SW1/4SW1/4NW1/4, Section 16,

T.35 S., R. 11 E. SLB&M, Lessee Plateau Resources Ltd. ML-31862, M/017/001

Dear Mr. Wellner and Mr. Jones:

The School and Institutional Trust Lands Administration ("Trust Lands Administration") has completed reviewed of your Notice of Intent ("NOI") to Conduct Exploration, dated July 24, 1998. The NOI satisfies the notification requirements of the Trust Lands Administration and by this letter approval to commence with the proposed project is hereby granted.

As stated on the Designation of Operator form, the designation of Exxon Production Research Company as operator of the proposed coring project by the Lessee does not relieve the Lessee of responsibility for compliance with the terms of the lease and the rules and regulations of the Trust Lands Administration; therefore the Trust Lands Administration will not require separate bonding for the coring project as Plateau Resources Ltd. has on file with the Division of Oil, Gas and Mining a reclamation bond in the form of a collateral certificate of deposit which covers reclamation of mine related activity on the leased lands.

As the proposed coring site will be along an existing road no cultural resource survey will be required. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

Upon completion of the drilling operation all surface disturbances resulting from your operations must be fully reclaimed to the satisfaction of the Trust Lands Administration and in compliance with the State of Utah Mined Land Reclamation Act.

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Trust Lands Administration approval to commence exploration or mining does not alleviate the necessity to comply with the requirements of the Division of Oil, Gas and Mining. You must contact them and comply with their requirements before commencing with any exploration or development. The address of the Division of Oil, Gas and Mining is 1594 West North Temple, Suite # 1210, P. O. Box 145801, Salt Lake City, Utah 84114.

Please inform the Trust Lands Administration when operations are completed.

Sincerely,

William M. Stokes

Minerals Resource Specialist

cc: Tony Gallegos DOGM

